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DEPT. OF TRANSPORTATION

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BEFORE THE
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

IN RE:

DOCKET : OST 1998-4601 -10

QUEEN AIR, AERONAVES QUEEN, S.A.

Application for Renewal of Exemption
Authority

REPLY TO QUEEN AIR REPLY TO OPPOSITION

Communications with respect to this document should be addressed to:

Luis A. Irizarry
Aviation Consultant
PO Box 37217
San Juan, P.R. 00937-0217
Tel: (787) 752-7621
Fax: (787) 276-3846

December 27, 2002

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COMES NOW, Air Santo Domingo, S.A. (ASDSA), Servicios Aereos Profesionales, S.A. (SAPSA), Servicios Aereos Profesionales, Inc. (SAPINC) and Trans Caribbean Airways, Inc. (TCA) and formally submits this reply to the Queen Air reply to our previous opposition to the renewal of exemption authority to Queen Air, Aeronaves Queen.

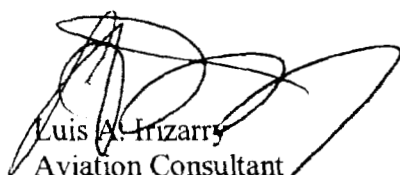
1. That our opposition was filed before that the Department granted the renewal of exemption for Queen Air. That by answering our opposition Queen Air made "ON TIME" our opposition for the renewal of its exemption of authority.
2. That in response 1, Queen Air alleges that **"none of the opposing parties were entities required to be served and Queen Air was unaware that any of these opposing parties were affected by this routine exemption renewal"**. It is clear in the Department Regulations that all affected parties in the affected area should be served with a copy of these documents. This was not the case of the opposing carriers.
3. That Queen Air knew or should known that ASDSA, SAPSA, SAPINC and TCA provide air services between the Dominican Republic and the United States, including San Juan, Puerto Rico. All the abovementioned carriers provide services between the U.S. and the Dominican Republic.
4. That Queen Air is and was aware that ASDSA provide scheduled U.S. D.R. U.S. and has been authorized scheduled air carrier by the Civil Aviation Authority of the Dominican Republic and by the Department of Transportation under exemption for several years.

5. That Queen Air is misleading the Department when it alleges that SAPINC is not an air carrier. SAPINC is the holder of certificate number X92A927H, issued by the Federal Aviation Administration and is authorized to conduct flights between the U.S. and the D.R. The same is true for TCA, which is the holder of air carrier certificate number Y2RA302J and is also authorized to conduct flights between the U.S. and the D.R. With Respect to ASDSA, it's the holder of air carrier certificate number 126 and is authorized to conduct Scheduled Foreign air transportation between the U.S. and the D.R and hold an exemption from the Department in Docket OST 2000-6796 and with respect to SAPSA, it's the holder of air carrier certificate number 71 and is authorized to conduct flights between the U.S. and the D.R and hold an exemption by the Department under Docket OST 97-3077.
6. That with respect to the filing of Queen Air renewal, Queen Air must comply with ALL Department requirements, including its fit, willing and able condition and be the holder of a current air carrier certificate issued by the State of Registry to be granted the exemption.
7. This is not the case of Queen Air, it do not hold an air carrier certificate issued by the State of Registry, it does not have an aircraft in its certificate, it is not in compliance with the Law 505 of the Dominican Republic which state that an air carrier must be in operation for at least 6 month to maintain a certificate, this is not the case of Queen Air. Queen Air has been without operating for more that two years, does not have an airplane in its certificate and is not legally fit to maintain a certificate nor and exemption from the Department.
8. That Queen Air, in fact at this time do not have a current certificate issued by the Civil Aviation Authority, does not have a current and active wet lease agreement with Trans Meridian Airlines as previously indicated.
9. That how Queen Air can maintain its fitness condition when it has not been operating for at least two years. They should provide at least current financial statements, and all required documents to the department to show that it still comply with the Department requirements.
10. That the allegation that **"whereas Queen Air has not conducted any operations for approximately two (2) years, this fact is irrelevant"**, well it is not irrelevant, the Dominican Republic Aviation Law 505 and the (RAD) Reglamento Aeronautico Dominicano, required that the holder of an air carrier certificate which is not in operations for at least 6 month, the certificate is cancel and must comply with all requirements to obtain a new certificate. This is the case of Queen Air. They do not hold a current air carrier certificate nor an aircraft nor a wet lease agreement with Trans Meridian as previously indicated to the Department.

11. That it is incredible to believe that Queen Air or its representative bring the fact that the Dominican Republic because it is in Category 2 condition said that **“ all carriers of the Dominican Republic are prohibited by FAA flat from operating any aircraft, whether by lease, ownership or otherwise”**. This is a fiasco; ASDSA, SAPSA and other carrier are the owner, operators of several aircraft flying in the Dominican Republic and are the holder of air carrier certificates, also many of them, as ASDSA and SAPSA are operating into the U.S. by wet lease aircraft. (See docket OST 97-3077 and OST 2000-6796). That Queen Air can bring in any forum that they want this issued and we will be glad to respond.
12. That Queen Air admits that it is not and has not operated into the U.S. Since they first obtained its exemption, then they admit that they do not need the exemption if they do not conduct any operation into the U.S. So, the Department should denied its renewal and allow other reliable operator to conduct those operations in the best public interest.
13. That in response 6, Queen Air admits that they do not have a lease aircraft not they own an aircraft to conduct the proposed operations, please refer to our item 12 above.
14. That Queen Air should provide the Department current financial statements show that they still fit, willing and able to conduct the proposed operations. How they can conduct the operations if they do not have an aircraft to do so.
15. That the Department should request to update each and all documents provided to Department by Queen Air. This will clarify our statement that Queen Air is not providing correct information to the Department.
16. That the exhibits provided with our oppositions are very clear of the plans of Queen Air to obtain the renewal of its exemption and to sell the company to another party with the renewal approved by the Department. This I to allow another parties to conduct the proposed operations when in fact Queen Air is not the operating carrier.
17. That Part 119, Part 121 or Part 135 of the RAD is the applicable Regulations currently in the Dominican Republic for Queen Air Certificate, if they have any. This is a clear fact that Queen Air does not have a current copy of the RAD'S nor they have complied with the requirements of such Regulations of its own Registry Country, the Dominican Republic.
18. That the Department should seriously consider our opposition, the facts and the allegations herein and denied the renewal of the exemption to Queen Air.

WHEREFORTH, the undersigned as representative of ASDSA, SAPSA, SAPINC, and TCA formally submits this reply and opposed to Queen Air renewal of its Exemption.

Respectfully submitted this 27th day of December 2002.



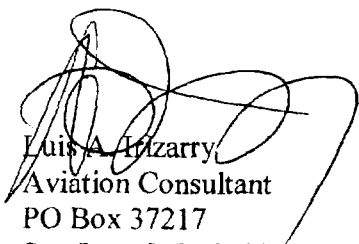
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Aviation Consultant
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San Juan, P.R. 00937-0217
Tel: (787) 752-7621
Fax: (787) 276-3846

CERTIFICATE OF SERVICE

I hereby certify that I have on this day served the foregoing document by fax and first class mail, postage prepaid, upon the persons show in the following service list.

Julio Rosario Peña
President
Queen Air
Av. 27 de Febrero Esq. Tirandentes
Plaza Merengue, Local 202
Santo Domingo, Republica Dominicana

Pierre Murphy
Law Offices of Pierre Murphy
1201 Connecticut Avenue, N.W.
Suite 550
Washington, D.C. 20036



Luis A. Izarry
Aviation Consultant
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